

Ethos Academy Trust

Annual Report and Financial Statements Year ended 31 August 2023

A Company Limited by Guarantee

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ETHOS
ACADEMY TRUST

Nurturing inclusive learning communities

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REFERENCE & ADMINISTRATIVE DETAILS

Members

G Hughes
R Gupta
K Stevens
C Acklam

Trustees

V Del Giudice (Chair)
G Dewhirst (Vice Chair)
G Cox
A Black (resigned 25.01.2023)
K Bennett
J Greenwell
A Percival (appointed 17.04.2023)
S Corbridge (appointed 10.06.2023)

Company Secretary

J Barr
EDU Clerks
138 The Oval
Leeds
West Yorkshire
LS14 6BB

Senior Management Team

CEO	Jayne Foster
CFOO	Dewi Bennett
Director of Education	Ann-Marie Oliver
Head Teacher – Engage Academy	Alison Ward
Head Teacher – Ethos College	Rebecca Smith
Head Teacher – Reach Academy	Hannah Lord
Head Teacher – Evolve Academy	David Kiss (left 30.04.23)
Executive Head – Evolve & Enrich Academies	Mark Richardson (appointed 17.04.23)

Company Name

Ethos Academy Trust

Principal and Registered Office

c/o Reach Academy
Batley Field Hill
Batley
WF17 0BQ

Company Registration Number

10745840 (England and Wales)

Independent Auditor

Harris & Co
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Bankers

Lloyds Bank plc
5 Gresham Street
London
EC2 7HN

Solicitors

Stone King LLP
One Park Row
Leeds
LS1 5HN

TRUSTEES' REPORT

The Trustees of Ethos Academy Trust thank you for reviewing our annual report, formed in collaboration with the executive team that drives the trust forward on a daily basis. We are proud to reflect on the previous twelve months that saw the trust grow from four to academies to a family of six. At the start of the 22/23 Academic year, we were privileged to open our first new special free school, Elements Academy in Rotherham. Then in May 2023, we were delighted to welcome Enrich Academy staff, young people and families into the trust and begin the journey of supporting them to develop their provision for the young people of Wakefield.

This measured expansion of the trust is progress toward our strategic objectives in increasing the quality and breadth of Ethos provision and we are delighted that our founding academies embraced recent growth and have been an integral part of this new chapter by sharing their expertise and support during this inflection point. As we look forward, we are excited to see all the academies grow and work together to achieve great things for our young people and staff teams alike.

The board would like to take this opportunity to thank all staff, across every level of the trust, for their dedication and hard work that makes Ethos great and we look forward to working with you all to provide nurturing and inclusive learning communities to be proud of in the coming years.

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year from 1 September 2022 to 31 August 2023. The Trustees confirm that the annual report and financial statements of the Academy Trust comply with the current statutory requirements, the requirements of the Academy Trust's governing document, the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" effective from 1 January 2015, and the Financial Reporting Standard 102 (FRS102).

During the year, Ethos Academy Trust operated six academies: one primary pupil referral unit academy in Kirklees; three secondary pupil referral units in Kirklees and Wakefield, one primary and secondary pupil referral unit in Wakefield and one primary and secondary special school in Rotherham. It also operated the Kirklees medical teaching service and outreach service as well as an alternative provision for pupils in Rotherham that are not able to access an on-site offer. Its academies had a combined pupil capacity of c.460 (full time equivalent places) and in the school census in October 2023 had a roll of 425.

Structure, Governance and Management

Constitution

Ethos Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Ethos Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Ethos Academy Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

In accordance with normal commercial practice, Ethos Academy Trust has taken out insurance through the Education and Skills Funding Agency (ESFA) Risk Protection Arrangement (RPA) scheme. This provides unlimited professional indemnity cover.

Method of Recruitment and Appointment or Election of Trustees

In accordance with the Memorandum and Articles of Association, the Members may appoint up to eleven Directors. The Board may appoint up to two Trustees without reference to the Members. Recruitment has taken place through Academy Ambassadors. Applicants provide a CV and are invited to visit the Trust and meet with the CEO and Chair of the Board. Consideration to potential applicants is then given by the Board prior to a recommendation being taken to Members. New Trustees have been appointed to meet the required skill sets.

Policies and Procedures Adopted for the Induction and Training of Trustees

An induction programme is provided for new Trustees and tailored to their needs depending on their existing experience. A full induction pack including Trustee Handbook, code of conduct, role descriptions, Scheme of Delegation and supporting documentation is also provided to Trustees upon appointment.

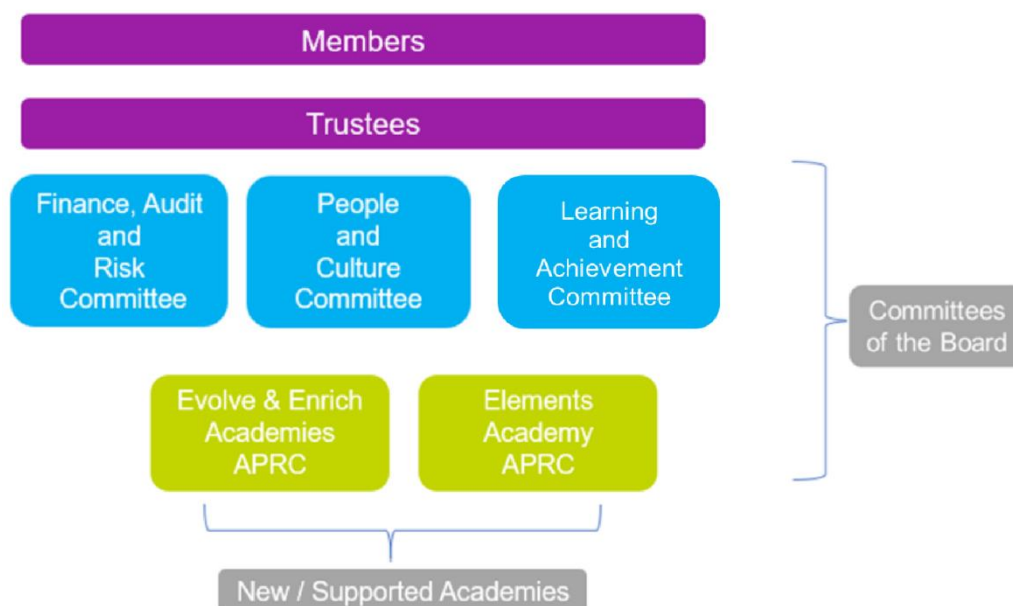
Trustees are required to complete a minimum of a Level One safeguarding course online. In addition to this, a broad range of training and development opportunities are available to enable Trustees to enhance their skills and knowledge. Trustees are encouraged to pursue individual training and development in addition to participating in learning activities undertaken by the full Board. All Trustees are required to declare their formal interests in a register which is updated on a continuing basis.

Organisational Structure

Ethos Academy Trust has a full Scheme of Delegation in place which is reviewed annually, and details how decision-making powers are delegated between the members, the Board, the CEO, Heads of individual academies and, where applicable, Local Governing Boards, known as Academy Performance Review Committees (APRC). During 2022-23 there were two APRCs.

The main Board met seven times during 2022-23. In addition to the APRCs, the Board started the year with three Committees which acted in an advice and scrutiny capacity to the Board to enable informed decisions to be made. These were the Finance, Audit and Risk Committee, the Learning and Achievement Committee and the People and Culture Committee. Terms of Reference of each Committee are reviewed annually by the Board. During the year, the Board made the strategic decision to amalgamate the remit of the People and Culture Committee into that of the Board.

The CEO is the accounting officer and undertakes all duties linked to this post and is accountable to the Board.

Ethos Academy Trust Governance Structure 2022-23:

As at 31.08.2023, there were 8 Trustees in post out of a possible maximum of 11. (The minimum requirement is 3 Trustees).

As at 31.08.2023, there were 4 Members in post out of a possible maximum of 7. (The minimum requirement is 3 Members. The maximum of 7 is not a target nor an expectation, although the DfE's strong preference is for MATs to have at least 5 Members wherever possible).

Arrangements for setting pay and remuneration of key management personnel

The Trust has a robust strategy for the scrutiny of staff performance and remuneration. All teachers, including head teachers, are paid in accordance with the School Teachers' Pay and Conditions document.

Performance Management of the CEO is carried out by a subcommittee of Trustees and Members. Pay recommendations were then taken to the People and Culture Committee for approval. Central Trust senior leaders are line managed by the CEO or CFOO and headteachers are directly line managed by the Director of Education.

Teachers and support staff progress through their relevant pay scales subject to successful performance in their role. The CEO and Director of Education audit performance management documentation and remuneration decisions made at individual academy level to monitor equity of approach across the Trust.

Trade union facility time

In line with the Trade Union (Facility Time Publication Requirements) Regulations 2017, the Trust's analysis is as follows:

Relevant union officials

Number of employees who were union officials during the relevant period	Full-time equivalent employee number
2	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1-50%	0
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Description	Figures
The total cost of facility time	£0
The total pay bill	£7,556,603
The percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0%
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Related Parties and other Connected Charities and Organisations

This year the trust has operated a zero-tolerance policy on related party transactions. Whilst the trust has continued its relationships with local schools and Trusts due to its unique knowledge and understanding of pupils with Social, Emotional and Mental Health needs, as well as the continuation of the exclusions contracts, the charges for these services have been made directly to the local authority.

To manage conflicts of interest any transactions involving related parties and connected organisations, will always be conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

Objectives and Activities

Objects and Aims

The objects of the company are specifically restricted to the following: To advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; or education institutions which are principally concerned with providing education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them.

Objectives, Strategies and Activities

Ethos Academy Trust has a five-year strategic development plan 2021-2026.

Ethos Academy Trust plays a system leader role as a values-driven organisation. Ethos Academy Trust regards education as a vehicle for securing better outcomes for all, including those from disadvantage, whatever their starting points. The Trust works with a high proportion of young people from lower income backgrounds and with SEND.

The Trust has a comprehensive and robust monitoring and risk assurance framework.

Ethos Academy Trust's vision is to create **nurturing inclusive learning communities**. To enable us to achieve this, our mission is that Ethos Academy Trust will **draw upon the expertise of our specialist staff and wider partners to provide timely, personalised support, intervention and provision in order to maximise the life chances of all children and young people, informed by a thorough understanding of their strengths and needs.**

The Trust's core values are:

Leading with integrity

- Championing honesty and transparency
- Building trusting relationships

Thinking innovatively

- Finding creative solutions
- Meeting individual need

Encouraging freedom and responsibility

- Working collaboratively
- Investing in effective partnerships

Celebrating achievement

- Improving academic progress
- Enriching personal development

Improving continuously

- Raising standards
- Developing strong and effective leaders

The Trust's strategic objectives for 2021-26 are:

Priority 1

Become leaders in inclusive practice: Increase the quality and breadth of Ethos Academy Trust provision by further enhancing meaningful and personalised opportunities for all pupils to sustain positive engagement in lifelong learning.

Priority 2

Change the wider public narrative regarding SEMH pupils and provision: Develop Ethos Academy Trust's role as an expert and influencer on inclusion in relation to SEMH policy and practice at a local, regional and national level, contributing to wider sector improvement activity.

Priority 3

Develop expert practitioners in inclusive, SEND practice: Ethos Academy Trust will invest in the development of a strong, healthy, engaged and motivated workforce of inclusive leaders, teachers and support staff who excel at securing outstanding outcomes for pupils with SEMH needs within and beyond the Trust.

Public Benefit

The Trustees have complied with their duty to have due regard to the Charity Commission's guidance on public benefit in exercising their powers or duties, in particular to its supplementary guidance on advancing education. The main public benefit delivered by the Trust is the advancement of education.

Strategic Report

Achievements, Progress and Performance 2022-23

Objective 1 - Become leaders in inclusive practice

- A termly assurance framework and processes, linked to the school improvement strategy, were developed to include HR, finance and estates, allowing targeted and meaningful support for all Academies to drive improvement and standards.
- Peer audits and deep dives were implemented across all academies linked to the Education Inspection Framework and supported meaningful self-evaluation and school improvement planning processes at Trust and academy level.

- Wide ranging professional networks drove strategic and operational developments across the Trust.
- The three founding Kirklees Academies all sustained their good and outstanding Ofsted judgements.
- Expansion of the School Improvement Team enabled enhanced support to all academies to target bespoke areas of priority need.
- Effective deployment of leadership capacity and expertise continued to support the development and embedding of inclusive practices within and beyond the Trust.
- A sustainability strategy was developed with ambitious targets to become a carbon-neutral Trust over the course of the next 5-7 years.

Objective 2 - Change the wider public narrative regarding SEMH pupils and provision

- The implementation of a Communications Strategy secured wide-ranging opportunities to raise the profile of the Trust and its successes at a local, regional and national level across a range of media.
- The Trust opened its first SEMH Special Free School (September 2022), with pupil numbers reaching capacity by the end of its first year.
- An additional AP academy was supported to join the Trust in May 2023, with a priority focus on improving the quality of provision and outcomes for pupils.
- The Trust delivered local and regional SEMH training and wide-ranging school improvement activities internally and externally to enhance the development of improved models of supporting learners with SEMH needs.
- Contribution to wider sector improvement activity was further built upon through investment in other key strategic partnerships and forums with a shared sense of purpose.

Objective 3 - Develop expert practitioners in inclusive, SEND practice

- New Central Team roles within School Improvement, HR and Finance significantly increased capacity, expertise and support for all our academies.
- Introduction of the Trust's People Strategy, building a clear plan relating to our people to support the Trust's strategic priorities.
- Development of a clear strategy and processes to embed new Academies into the culture and values of the Trust resulted in schools feeling well supported.

- A new partnership was established with South Yorkshire Teaching Hub, meaning that staff have access to quality and consistent training programmes to support career development.
- Improved scores in key development areas in the annual Staff Engagement and Wellbeing Survey, including workload and communication. Staff recognise the impact of surveys and reported feeling listened to and valued.

All six academies had a successful year, as summarised below:

Ethos College:

38.7% of pupils gained 5 or more GCSEs 9-1 or equivalent including English and maths in 2022/23, an increase of 9.7%, and 16.1% of the cohort achieved English and Maths (9-4). Whilst there is a clear (and narrowing) gap between Ethos College and mainstream data, Ethos College continues to significantly outperform national alternative provision outcomes benchmark data.

Holistic progress (which measures academic, social, emotional and attendance progress in line with pupils' barriers to learning) shows that 80% of the cohort made good progress across the year. There has been a comprehensive targeted intervention programme for pupils with the most complex barriers that has seen behaviour incidents for this cohort more than half across the year as a result.

The majority of pupils achieved rapid and sustained improvements in attendance in comparison to pre-referral data, securing an overall average value-added attendance figure of 19%.

In January 2023, Ethos College maintained its Outstanding Ofsted judgement.

Reach Academy:

Reach Academy has developed a reading intervention curriculum that has seen targeted pupils on average make up an additional 10 months' equivalent gain in comprehension and reading accuracy.

Over 15 targeted Safeguarding interventions have been developed this year in school as well as broadening the referrals made to a wide range of outside services and agencies to ensure the very best support for pupils with safeguarding concerns.

Reach Academy retained its Inclusion Quality Mark: Flagship Status and, in February 2023, Reach Academy maintained its Good Ofsted judgement.

Engage Academy:

Attendance has remained above 80% all year despite an increase in pupil numbers taking the provision over PAN for half the year, resulting in the need to establish packages of community-based / home tutoring for some pupils.

As the cohort changed across the year, leaders adapted the curriculum to support pupils' barriers to learning which led to enhanced holistic progress for pupils increasing from 65% in the Autumn Term to 94% of the cohort making good progress across Attendance, SEMH and Academic areas by the Summer Term.

The majority of pupils achieved rapid and sustained improvements in attendance in comparison to pre-referral data, securing an overall average value-added attendance figure of 30.74%.

In February 2023, Engage Academy maintained its Good Ofsted judgement.

Evolve Academy:

Evolve has undergone a significant school improvement journey. There has been a large staff turnover including that of the Head Teacher. The senior leaders have been heavily supported by the Director of Education. The curriculum and groupings have been remodelled to promote a nurture model of learning.

A local tier of governance is in place and trust and governance quality assurance shows a marked improvement in the learning environments and school culture.

There has been successful recruitment of a new Designated Safeguarding Lead, an Executive SENCO, a Head of School and an Executive Head Teacher to further drive improvement at pace over the year ahead.

Elements Academy:

Elements Academy successfully transitioned 103 pupils into the new school at the start of the academic year. As the year progressed, a series of recruitment campaigns enabled us to secure the full complement of staff, with pupil numbers growing to 135 (PAN) by the end of the year. The school has developed a highly effective behaviour policy with a reward system and house system aligned to the core values and expectations, resulting in a warm, welcoming, nurturing culture already have been effectively embedded.

Elements Academy secured the Healthy Schools Gold Award and a Leading the Way Award for Continuous Improvement for their work on Careers. 18.75% of students gained 5 or more GCSEs (Grades 9-1) or equivalent.

The development of highly effective middle leaders and the appointment of a Deputy Head to lead on the Quality of Education has added leadership capacity with a focus on further strengthening the curriculum offer for all pupils. Recently the school achieved an external reward for its outstanding work in the career, information and guidance curriculum.

Enrich Academy:

Enrich Academy joined Ethos Academy Trust on 1 May 2023. The trust successfully recruited an Executive Headteacher, a Head of School and an Assistant Head to ensure that a full leadership team is in place to drive school improvement over the years ahead.

28% of students achieved 4 or more GCSEs (Grades 9-1) or equivalent – an increase of 5% from the previous year. 40% of students achieved 5 or more qualifications – an increase of 23% over the last two years.

Key Performance Indicators

The Board considers that the following are key performance indicators for the Academy Trust:

Financial
Forecasting accuracy
Revenue generation
Operations and Risk
Progress against internal audit findings.

Progress against external audit findings.
Audit Controls/ Issues– low number of issues.
All ESFA returns completed within deadlines.
Near miss reporting
First Aid Incidents
GDPR Data Breach Queries
Learning and Achievement: Academy Standards
Behaviour
Attendance
Persistent absence
Suspensions
Partial timetables
Teaching and learning effectiveness
Safeguarding
Progress: Reading / Writing / Maths
Leadership and vision
Progress towards school development priorities
SEND
SEMH Progress and Curriculum
HR
Stakeholder Voice (staff, parents, pupils): Annual Survey Results (including engagement %)
Staff attendance
Staff retention
Workforce Development (% of staff undertaking / attaining professional accreditation)
Internal Promotion
% of first time recruitment
% of staff who pass probation at 6 months
Number of vacancies filled internally or externally
Flexible working requests (%)

The Board receives updates against the above indicators through the various reporting mechanisms during the year and considers that all key performance indicators listed have been successfully met.

Going Concern

The Trustees acknowledge that these financial statements are being approved during a period of high inflation and economic uncertainty. They recognise that this is likely to continue to bring financial risk to the Trust during the next 12 months, some of which cannot be planned for. In

the immediate future the Trustees also recognise that there will undoubtedly be unpredictable and unbudgeted costs and reduced income as a result. However, the strong cash balances, asset base and reserves position held mean that the Trust should be sustainable going forward.

In the longer term, pressures from unfunded teachers' and support staff pay awards together with significantly increased energy costs (for which some government support is available but only until March 2023) and general inflation are creating unsustainable pressures for schools and academy trusts. Without increases in per pupil funding to offset these cost increases, there is uncertainty around the medium to long-term outlook for many schools and trusts. This is a sector-wide issue that will need to be addressed by funding decisions from central government. We welcome the news in the Autumn Statement of additional monies for schools and trusts and we wait to see how this will impact on the academy trust.

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

This has been the fifth year of operation for Ethos Academy Trust. The accounts show a healthy cumulative surplus of £1,752k an Increase of £752k from the previous year (2022: £1,000k). This is excluding fixed asset spend and pension actuarial adjustments. During the period ending 31 August 2023 total income, excluding fixed asset fund income, was £13,950k (2022: £7,147k), and total expenditure, excluding depreciation was £12,913k (2022: £8,869). The total surplus across the Trust, with expenditure being less than income, and excluding restricted fixed asset funds and remeasurement of pension scheme obligations, was £752k (2022: £191k). The net movements in funds after fixed asset transfers and pension scheme gains and losses was a increase of £15,543k (2022 £7,311k).

At 31 August 2023 the net book value of fixed assets was £20,618k (2022: £7,223k).

Trustees require that adequate reserves are in place to mitigate against any future changes in funding. Trustees also feel it as essential to have sufficient reserves for any future capital needs and expansion plans. The budget position shows an in-year surplus for FY23/24 and FY24/25. The Trust has plans to utilise reserves to deliver its 5-year strategic capital plan.

The Trust received the majority of its funding from the Local Authority as either top up funding per pupil or for the medical and outreach services. Additional place funding of £10k per pupil is also received from the ESFA. This funding is used to support the key objectives of the Trust.

Reserves Policy

The Trustees review the reserve levels of the Trust, against the parameters set out in the reserves policy, on a frequent basis throughout the year through management accounts, statutory year end accounts and the budget setting process. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

Total revenue reserves of the Trust are £1,752k (2022: £1,000k) as at 31 August, and this excludes the fixed asset fund of £20,896k (2022: £7,763k) and the pension reserve deficit of £nil (2022: £(1,567)k). The amount of free funds, being total funds less the amount held in fixed assets and restricted pension funds is £1,752k (2022: £1,000k). The reserves policy states that reserves should be maintained at an equivalent of between 1 and 3 years of estimated depreciation (as a proxy for capital expenditure requirements to maintain the Trust estate). This ensures that reserves are

retained by the Trust to cover future capital projects as identified in the detailed capital plan and required to maintain our building assets.

The Trust held total fund balance reserves of £22,648k as at 31 August 2023 (2022: £7,106k), comprising of £21,086k (2022: £6.297k) of restricted funds including a pension deficit of £nil (2022: £(1,567)k) and unrestricted funds of £1,562k (2022: £809k).

The Trust is carrying a net deficit of £nil (2022: £(1,567)k) on the pension reserve, but at all previous year ends it was in deficit and it was anticipated that over time this would be brought back into balance through the payment of monthly pension contributions, based on a percentage of gross salaries, into the Local Government Pension Fund, and other elements to address the position.

The Trust has a Reserves Policy to protect its activities by providing a minimum reserves balance of c.£300k being one year's worth of depreciation/ capital expenditure. The maximum expected ongoing reserves level is approximately £1m being three years of typical capital expenditure levels. Given the growth ambitions of the Trust the management of reserves will be reviewed regularly.

The levels of reserves held are in line with the Trust Reserves and Treasury Management Policy. The reserves provide for an unpredictable future financial environment and to ensure that the Trust has sufficient resources to continue to advance the education of pupils and to make sufficient provision for future cash flow requirements and capital procurement.

Investment Policy

The Trust has a Reserves and Treasury Management Policy. The objectives of this policy are to ensure that the Trust: -

- maintains sufficient cash balances in its current account to meet its day to day commitments;
- invests surplus cash to earn an acceptable rate of return without undue risk;
- complies with the Academies Financial Handbook and ensures that security of funds takes precedence over revenue maximisation;
- considers spreading risk between differing institutions to reduce risk.

Principal Risks and Uncertainties

The Trust has a Risk Management Policy and maintains a Risk Register covering the principal risks and uncertainties facing the Trust. These are categorised as strategic, operational, financial and compliance. The risk register is reviewed regularly. The main areas of risk identified in the latest risk register are: -

- Potential compliance issue at Wakefield sites linked to building conditions
- Potential liability from complaint linked to new academy transfer
- Funding shortfall as a result of Kirklees AP tender outcomes
- Admin staff turnover resulting in uncertainty of data reporting
- Implementation risks related to new pupil MIS system
- Continuity of salaries across the Trust
- During the year the Trust has recorded the risk of RAAC being present in any of our buildings

To mitigate against these risks, the Trust has taken the following action: -

- New academy integration actions and building projects to ensure improvements to estate and management of compliance
- Close management of HR case with support from external agencies (e.g. Legal services)
- Refocus of Kirklees academies to develop an EHCP offer and secure additional places
- Regular review of central team and local admin resources and applications for additional funding (e.g. TCaF where appropriate).
- Secure additional support to manage migration and implementation
- Continual review and consideration of changes to policy with necessary costings
- Various surveys were completed to establish the existence of RAAC. This involved our internal estates experts as well as external agencies and contractors. No RAAC was found in any areas of our estate.

Fundraising

The Trust adds to its grant funding by undertaking fund-raising activities where possible and has created a Business Plan to identify opportunities to raise additional funds and generate income for the Trust. These include utilising the unique specialism of the Trust in SEMH needs to provide training and networking events for education professionals.

In addition, in 2022/23, the Trust successfully applied for a number of small grants for specific projects. The Trust did not engage the services of any professional fundraisers for the 2022/23 financial year.

Plans for Future Periods

The Trustees have reviewed performance against the strategic objectives within the Trust Development Plan for 2022/23. The Trust has clear strategic aims built on our mission and core values.

The strategic objectives detailed in the Trustees Report (Objectives and Activities) are now embedded into Trust as overarching long term strategic aims. The Trust has reached a key inflection point in its growth and considers the 23/24 academic year to be a consolidation year in preparation for further developments. Aligned to this the Trust is in the process of working with key stakeholders across the Trust to develop new strategic priorities for the next three to five years.

Funds held as Custodian

The Academy Trust does not hold any funds as custodian trustee for other persons or organisations.

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 18 December 2023 and signed on the board's behalf by:



Victoria Del Giudice

Chair of Trustees

18/12/2023

GOVERNANCE STATEMENT

Scope of Responsibility

The Trustees acknowledge they have overall responsibility for ensuring that Ethos Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the CEO (as accounting officer) for ensuring financial controls conform with the requirements of both propriety and good financial management and are implemented in accordance with the requirements and responsibilities assigned to it in the funding agreement between Ethos Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met seven times between 1 September 2022 and 31 August 2023. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	No. of meetings attended	Out of a possible
V Del Giudice (Chair)	7	7
G Dewhirst (Vice Chair)	6	7
Karen Bennett	4	7
G Cox	7	7
J Greenwell	7	7
Alison Black*	2	4
J Copley (Clarke)*	0	1
A Percival**	1	1

*resigned during academic year

**appointed during academic year

Note: S Corbridge is not included in the above attendance records, as she was still awaiting her DBS and attended the last Board meeting of the 2022/23 academic year as an observer.

Key priority areas for the Board this year have included:

- Supporting the executive team in delivering the growth of the Trust from four to six academies
- The establishment of the Trust's 'Big Moves' and the interlinking of strategic plans that sit beneath the key priorities;
- Further refinement of the governance structure. This has now grown to incorporate the establishment of the first local tier of governance (Academy Performance Review Committee) with clear Terms of Reference;
- The development of a robust capex strategy. This covers both aspirational expenditure for the individual learning environments for all students and staff and preventative expenditure to protect the assets of the estate. The plan is detailed and mapped over a rolling three-year period.

The Board continues to commit time to develop the role of the Members of the Trust and to seek to learn from their wide experience. A continuing challenge for the Trust is to recruit and retain suitably experienced Trustees who are willing to devote their time and skills to a growing and dynamic MAT.

The Trust continues to undertake an internal annual review of its governance each autumn and ensures that any recommendations form an action plan to ensure continuous improvement.

The **Finance, Audit and Risk Committee** is a sub-committee of the main Board of Trustees. Its remit is to:

- support the Board of Trustees in fulfilling its corporate governance and oversight responsibilities by providing advice that is independent of management on all items relating the Trust's finance, audit and risk arrangements and systems of internal control.
- ensure sound management of the Trust's finances and resources, including planning, monitoring, probity and value for money;
- advise the Board and Accounting Officer regarding the adequacy and effectiveness of the Trust's internal controls, risk management, governance and value for money systems and frameworks;
- advise the Board regarding the appointment of auditors and the planned audit approach, as well as considering reports from the internal and external auditors and other bodies and ensuring that actions are taken where required.
- advise the Board regarding the year-end accounts, strategic matters with financial implications, and other key matters;
- report to the Board any decisions taken in accordance with the Scheme of Delegation and delegated powers;
- oversee the Trust's risk management strategy, ensuring that it is fit for purpose and the appropriate mitigation is in place; and
- review Trust risk and health and safety arrangements and processes in confirming compliance with statutory policies and procedures.

Key priority areas of focus have been:

- Strategically support the drafting of interlinking trust growth and income strategies that underpin the strategic aims of the board;
- Establish a comprehensive and fully costed 5-year strategic plan;
- Refine the financial forecast and management account reporting to facilitate timely and effective decision making; and
- Continually monitor and refine the reporting of the trust’s capital plan to ensure timely, risk based, decision making

The Finance, Audit and Risk Committee met five times between 1 September 2022 and 31 August 2023.

Trustees	No. of meetings attended	Out of a possible
G Cox (Chair)	5	5
J Greenwell	4	5
V Del Giudice	4	5
G Dewhirst	5	5

The **Learning and Achievement Committee** is also a sub-committee of the main Board of Trustees. Its remit is to:

- support the Board of Trustees in fulfilling statutory duties relating to curriculum, standards and safeguarding;
- support the Board in understanding the unique context of each academy whilst ensuring a consistent approach to reporting; and
- monitor and advise the Board regarding the performance and standards of the Trust’s Academies, with reference to key performance data, including: the quality of the curriculum, key quantitative and qualitative benchmarks and progress regarding the Academies’ Strategic Development Plans.

Key priority areas of focus for the Learning and Achievement Committee have been:

- development of Key Performance Indicators to support RAG assurance framework in all aspects of educational performance.
- Development of definitions of progress including academic and the introduction of holistic measures (combining academic, attendance, SEMH against the context of individual barriers to learning.)
- development of a trust wide data table to benchmark schools against each other and identify priorities.

The Learning and Achievement Committee met twice between 1 September 2022 and 31 August 2023

Trustees	No. of meetings attended	Out of a possible
V Del Giudice (Chair)	2	2
J Greenwell	2	2
A Percival**	1	1

**appointed during academic year

The **People and Culture Committee** is another sub-committee of the main board of Trustees, however was disbanded after Meeting 1 of 2022/23 as it was felt that its remit could be absorbed by the Trust Board and the local ARPC. Meeting 1 sought to:

- provide advice that is independent of management on all items relating to pay and remuneration of its employees; and
- ensure compliance with School Teachers Terms and Conditions, and other related policies and procedures.

Key priority areas of focus relating to People for 2022/23 have been:

- Refinement and approval of key policies, systems and procedures;
- Development of a People Strategy;
- Growth of an experienced and robust HR Team;
- Development of effective performance management systems for the CEO and Heads;
- Ensuring the Trust is meeting statutory and good practice reporting obligations; and
- Development of efficient reporting systems in order to hold Trust senior leaders to account (i.e. absence reporting figures).

The People and Culture Committee met once between 1 September 2022 and 31 August 2023.

Trustees	No. of meetings attended	Out of a possible
K Bennett (Chair)	1	1
A Black*	1	1

*resigned during academic year

Review of Value for Money

As accounting officer, the CEO has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- reviewing the contracts register and ensuring that high value contracts follow a detailed tendering exercise or use approved government frameworks;
- Make use of various grant funding available to the Trust (e.g. CIF, TCaF, RPA)
- ensuring effective estates management, including the use of external surveyors to assess the structure of our buildings and develop robust plans to ensure they remain in good condition;
- larger building projects are managed by a third party with an excellent track record in accessing grant finding (e.g. CIF) and managing tenders to ensure value for money is achieved;
- reviewing benchmarking data for similar schools;
- making use of the Schools Resource Management tools;
- actioning the recommendations of the internal audit reviews; and
- identifying opportunities for internal growth and income generation strategies across the Trust;

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on a process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ethos Academy Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal process for identifying, evaluating and managing the academy Trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and monthly financial reports with variance analysis which are reviewed by the board of Trustees;
- regular reviews by Finance, Audit and Risk Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- reviewing and challenging benchmarking data
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees considered the need for a specific internal audit function and continues to utilise the services of TIAA as internal auditor for the period 1 September 2022 to 31 August 2023. Given the size and age of the Trust the Trustees decided that appointing third party expertise, with a proven track record and experience of internal audit in the sector, would provide the most robust outcomes in terms of internal audit.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current period included:

- Testing of the financial control environment;
- Testing of the risk management framework;
- Testing of the Trust's performance monitoring systems;
- Testing of the Trust's HR systems and processes;
- Testing of the Trust ICT/ Cyber security arrangements;
- Testing of the Trust Data Protection/ GDPR arrangements;
- Follow up testing for recommendations relating to previous reviews.

The auditor reports to the board of Trustees, through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepare a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The auditors have delivered their schedule of work as planned

No instances of a material failure in any area were identified. A small number of areas for improvement were highlighted and the Senior Management Team have responded with their proposals to address these concerns. Generally, the internal audit work confirms the satisfactory application of systems and controls in the areas reviewed based on the sample testing undertaken.

A programme of internal audit work for 2023/24 has been agreed by Trustees.

Review of Effectiveness

The accounting officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been assisted by:

- the work of the internal auditor;
- the work of the external auditor;
- the school resource management self-assessment tool;
- the work of the executive managers within the academy Trust who have responsibility for the development and maintenance of the internal control framework; and
- The Finance, Audit and Risk Committee.

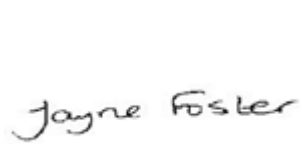
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 18/12/2023 and signed on its behalf by:



Victoria Del Giudice

Chair of Trustees



Jayne Foster

Accounting Officer

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Ethos Academy Trust, I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academy Trust Handbook 2022.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2022.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA.



Jayne Foster
Accounting Officer
18/12/2023

STATEMENT OF TRUSTEES' RESPONSIBILITY

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of Trustees on 18/12/2023 and signed on its behalf by:



Victoria Del Giudice
Chair of Trustees

Report of the Independent Auditors to the Members of Ethos Academy Trust

Opinion

We have audited the financial statements of Ethos Academy Trust (the “charitable company”) for the year ended 31 August 2023 which comprise the statement of financial activities for the year, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2022 to 202 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency (ESFA).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees and Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 26, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to

going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing potential risks related to irregularities:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- Enquiring of management, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
- Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- The internal controls established to mitigate risk related to fraud or non-compliance with laws & regulations;
- Obtaining an understanding of the legal and regulatory frameworks that the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the company. The key laws and regulations we considered in this context included the UK Companies Act, UK Generally Accepted Accounting Practice and the Education and Skills Funding Agency's (ESFA's) Academy Trust Handbook and Accounts Direction.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities.

This description forms part of our Report of the Independent Auditors.

Audit response to risks identified:

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- Enquiring of management and those charged with governance concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risk of material misstatement due to fraud; and

- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing the judgements used in accounting estimates to assess whether these may be indicative of potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

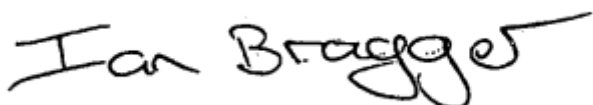
A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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Ian Bragger FCA (Senior Statutory Auditor)
for and on behalf of Harris & Co Limited
Chartered Accountants & Statutory Auditor
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Date: 18/12/2023

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT

ON REGULARITY TO THE MEMBERS OF ETHOS ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ethos Academy Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Ethos Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ethos Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ethos Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Ethos Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Ethos Academy Trust's funding agreement with the Secretary of State for Education dated 29 August 2018 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2022 to 2023 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy Trust's income and expenditure. The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the accounting officer's statement on regularity, propriety and compliance;
- evaluation of the general control environment of the Academy Trust;
- assessment and testing of a sample of the specific control activities over regularity of a particular activity;
- consideration of whether the activity is permissible within the Academy Trust's framework of authorities.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Harris + Co

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Harris & Co Limited
Chartered Accountants
Reporting Accountant
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Date: 18/12/2023

STATEMENT OF FINANCIAL ACTIVITIES

(Including Income and Expenditure Account) for the Year Ended 31 August 2023

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2023	Total 2022
	Notes	£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations and capital grants	3	17	2	467	486	171
Donations - transfer from local authority on conversion		669	(222)	12,800	13,247	1,414
Charitable activities:						
- Funding for educational operations	4	-	12,930	-	12,930	7,800
Other trading activities	5	335	-	-	335	384
Investments	6	(3)	-	-	(3)	5
Total		1,018	12,710	13,267	26,995	9,776
Expenditure on:						
Charitable activities:						
- Educational operations	7	267	12,917	328	13,512	9,106
Total	8	267	12,917	328	13,512	9,106
Net income/(expenditure)		751	(207)	12,939	13,483	670
Transfers between funds		-	(287)	287	-	-
Other recognised gains/(losses)						
Re-measurement of defined benefit obligations	24	-	2,060	-	2,060	6,641
Net movement in funds		751	1,566	13,226	15,543	7,310
Reconciliation of funds						
Total funds brought forward		811	(1,376)	7,670	7,105	(205)
Total funds carried forward		1,562	190	20,896	22,648	7,105

BALANCE SHEET – 31 August 2023

Company Number 10745840

	Notes	£'000	2023 £'000	£'000	2022 £'000
Fixed assets					
Tangible assets	13		20,618		7,223
Current assets					
Debtors	14	1,774		864	
Cash at bank and in hand		1,810		1,517	
		3,584		2,381	
Current liabilities					
Creditors: amounts falling due within one year	15	(1,457)		(835)	
Net current assets			2,127		1,546
Total assets less Current liabilities			22,745		8,769
Creditors: amounts falling due after more than one year	15		(97)		(97)
Defined benefit pension scheme liability	24		-		(1,567)
Net assets			22,648		7,105
Funds of the Academy Trust:					
Restricted funds					
- Restricted fixed asset funds	16		20,896		7,670
- Restricted income funds			190		191
- Pension reserve			-		(1,567)
Total restricted funds			21,086		6,294
Unrestricted income funds	16		1,562		811
Total funds			22,648		7,105

The financial statements were approved by the trustees, and authorised for issue on 18 December 2023 and are signed on their behalf by:



Victoria Del Giudice
Chair of Trustee

STATEMENT OF CASH FLOWS for the Year Ended 31 August 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	19		82		1,861
Cash funds transferred on conversion			669		37
			<u>751</u>		<u>1,898</u>
Cash flows from investing activities					
Interest from investments		(3)		5	
Capital grants from DfE and ESFA		467		165	
Purchase of tangible fixed assets		(922)		(1,909)	
Net cash used in investing activities			<u>(458)</u>		<u>(1,739)</u>
Net increase in cash and cash equivalents in the reporting period			293		159
Cash and cash equivalents at beginning of the year			<u>1,517</u>		<u>1,360</u>
Cash and cash equivalents at end of the year			<u>1,810</u>		<u>1,517</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2023

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

In the longer term, pressures from unfunded teachers' and support staff pay awards together with significantly increased energy costs and general inflation are creating unsustainable pressures for schools and academy trusts. Without increases in per pupil funding to offset these cost increases, there is uncertainty around the medium to long-term outlook for many schools and trusts, including our own. This is a sector-wide issue that will need to be addressed by funding decisions from central government.

Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable, and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Sponsorship Income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other Income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy Trust has provided the goods or services.

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

- **Transfer on conversion**

Where assets and liabilities are received by the academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy Trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

- **Donated fixed assets (excluding Transfers on conversion/into the Academy Trust)**

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy Trust's accounting policies.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Long-Leasehold Land 125 years
- Long-Leasehold Buildings 50 years
- Fixtures and Fittings 10 years
- Equipment 10 years
- Computer Equipment 4 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Financial Instruments

The academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy Trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group and the Local Authority.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions policy

The academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

At 31 August 2023 the LGPS valuation was not in deficit. The actuary valuation calculated an asset, but as the Academy Trust has received no indication that it will receive refunds from the scheme or reduced contributions going forward, in line with paragraph 28.22 of FRS102 an asset has not been recognised in the balance sheet. Therefore the pension fund shows as £0 on the balance sheet at 31 August 2023.

Capital grants, including those from the Condition Improvement Fund, are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised on a receivable basis and upon entitlement, and not deferred over the life of the asset on which they are expended. Where entitlement occurs before income is received, the income is accrued.

Expenditure incurred from capital grant income is recognised either through the Statement of Financial Activities or capitalised on the Balance Sheet, depending on its nature. Expenditure is capitalised where the expenditure provides incremental economic benefits to the entity or if a separate component is replaced. Where the expenditure is in respect of repairs and maintenance, or an asset which may have to be replaced at regular intervals, expenditure is written off through the Statement of Financial Activities. Spend from CIF grants in the year ended 31 August 2023 has been capitalised on the judgement that the spend meets the criteria for being capitalised.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was not subject to a limit at 31 August 2023 on the amount of GAG that could be carried forward from one year to the next.

3 Donations and capital grants

	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
	£000	£000	£000	£000
Capital Grants	-	469	469	163
Donated fixed assets	-	-	-	-
Donations	17	-	17	8
	<u>17</u>	<u>469</u>	<u>486</u>	<u>171</u>

4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
	£000	£000	£000	£000
DfE / EFA grants				
General Annual Grant (GAG)	-	3,327	3,327	1,640
TCAF	-	-	-	260
Start Up Grants	-	41	41	29
Other DfE/ESFA grants	-	36	36	60
Pupil Premium	-	180	180	54
Recovery Premium & National Tutoring	-	178	178	47
	<u>-</u>	<u>3,762</u>	<u>3,762</u>	<u>2,090</u>
Other Government grants				
Local authority grants - SEN & TPAPG	-	9,062	9,062	5,467
Other Local authority grants	-	106	106	250
Other government grants	-	-	-	(7)
Other income from the academy trust's educational operations	-	-	-	-
Exceptional Government Funding				
Coronavirus Job Retention Scheme Grant	-	-	-	-
Coronavirus exceptional support	-	-	-	-
Other Coronavirus funding	-	-	-	-
	<u>-</u>	<u>12,930</u>	<u>12,930</u>	<u>7,800</u>

There are no unfulfilled conditions at the year end with regards to the amounts included in the above government grants.

5 Other Trading activities

	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
	£000	£000	£000	£000
Supply insurance reimbursement	54	-	54	35
Staff consultancy	-	-	-	-
Recharges to schools	-	-	-	-
SLA - Springfield/Priory Support	213	-	213	302
Other income	68	-	68	47
	<u>335</u>	<u>-</u>	<u>335</u>	<u>384</u>

6 Investment income

	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
	£000	£000	£000	£000
Short term deposits	(3)	-	(3)	5
	<u>(3)</u>	<u>-</u>	<u>(3)</u>	<u>5</u>

7 Expenditure

	Staff Costs	Non-Pay Expenditure		Total	Total
		Premises	Other	2023	2022 (as restated)
	£000	£000	£000	£000	£000
Expenditure on raising funds	-	-	-	-	-
Academy's educational operations:					
Direct costs	5,636	-	632	6,268	3,667
Allocated support costs	5,359	667	1,218	7,244	5,439
	<u>10,995</u>	<u>667</u>	<u>1,850</u>	<u>13,512</u>	<u>9,106</u>

Net income/(expenditure) for the period includes:

	2023	2022
	£000	£000
Operating lease rentals	37	23
Depreciation	327	234
(Gain)/loss on disposal of fixed assets	-	-
Fees payable to auditor for:		
- audit	33	3
- other services	6	5
	<u>393</u>	<u>265</u>

8 Charitable Activities

	Total 2023 £000	Total 2022 (as restated) £000
Direct costs – educational operations	6,268	3,667
Support costs – educational operations	7,244	5,439
	<u>13,512</u>	<u>9,106</u>

Analysis of support costs	Educational operations £000	Total 2023 £000	Total 2022 (as restated) £000
Support staff costs	5,359	5,359	4,123
Depreciation	107	107	113
Technology costs	131	131	72
Premises costs	612	612	395
Other support costs	941	941	695
Governance costs	94	94	41
Total support costs	<u>7,244</u>	<u>7,244</u>	<u>5,439</u>

In 2022, of the total expenditure, £434k was to unrestricted funds and £8,672k was to restricted funds.

9 Staff

	Total 2023 £000	Total 2022 £000
a. Staff costs		
Staff costs during the period were:	£000	£000
Wages and salaries	7,557	4,868
Social security costs	675	474
Operating costs of defined benefit pension schemes	1,689	1,723
Apprenticeship Levy	32	15
	<u>9,953</u>	<u>7,080</u>
Agency staff costs	964	273
Staff restructuring costs	-	-
	<u>10,917</u>	<u>7,353</u>
Staff restructuring costs comprise:		
Redundancy payments	19	-
Severance payments	59	-
Other restructuring costs	-	-
	<u>78</u>	<u>-</u>

b. Staff severance payments

The academy trust paid 4 severance payments in the year which was within the £0-£25,000 band.

Included in the staff restructuring costs are no non-statutory, non-contractual severance payments totalling £0 (2022: £0).

c. Staff numbers

The average number of persons employed by the academy during the period was as follows:

	2023	2022
	No.	No.
Teachers	52	31
Administration and support	151	102
Management	26	19
	<u>229</u>	<u>152</u>

d Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
	No.	No.
£60,001 - £70,000	5	4
£70,001 - £80,000	3	2
£80,001 - £90,000	2	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-

e Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £885,300 (2022: £628,492).

10 Related Party Transactions - Trustees' Remuneration and Expenses

No Trustees have been paid remuneration or received other benefits from an employment with the academy trust during the year ended 31 August 2023 or year ended 31 August 2022.

11 Trustees' and Officers' Insurance

The charitable company has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts,

errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers' indemnity element from the overall cost of the RPA scheme.

12 Central Service

The Trust has provided the following central services to its academies during the year: -

- Financial services
- Human resources
- Audit and compliance
- Property Services
- School improvement
- Governance
- Marketing

The central charge was made on the following basis: -

- 5% to 6.5% of GAG and LA top up funding

The actual amounts charged during the year were as follows:

	2023	2022
	£000	£000
Evolve Academy	127	116
Ethos College	79	77
Reach Academy	76	77
Engage Academy	63	54
Elements Academy	229	-
Enrich Academy	54	-
	628	324

13 Tangible Fixed Assets

	Leasehold Land and Buildings	Leasehold Improvements	Furniture and Equipment	Computer Equipment	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2022	4,353	2,734	438	299	7,824
Donated - other	-	-	-	-	-
Additions	-	727	19	176	922
Disposals	-	-	-	-	-
Transfer on Conversion	12,800	-	-	-	12,800
At 31 August 2023	17,153	3,461	457	475	21,546
Depreciation					
At 1 September 2022	249	58	120	174	601
Charged in year	159	62	45	61	327
Disposals	-	-	-	-	-
At 31 August 2023	408	120	165	235	928
Net book values					
At 31 August 2023	16,745	3,341	292	240	20,618
At 31 August 2022	4,104	2,676	318	125	7,223

14 Debtors

	2023	2022
	£000	£000
Trade debtors	73	90
VAT recoverable	162	73
Other debtors	-	4
Prepayments and accrued income	1,539	697
	1,774	864

15 Creditors: Amounts Falling due within one year

	2023	2022
	£000	£000
Trade creditors	417	464
Other taxation and social security	191	112
Other creditors	209	114
Accruals and deferred income	640	145
	1,457	835
Deferred income	2023	2022
	£000	£000
Deferred income at 1 September 2022	41	32
Released from previous years	(41)	(32)
Resources deferred in the year	245	41
Deferred Income at 31 August 2023	245	41

Deferred income at 31 August 2023 mainly relates to September 2023 PRU funding received early of £188k. Deferred income also includes September 2023 to April 2024 Teachers Pay and Pensions Grant received early of £19.6k and £35k of National Tutoring Programme funding that is repayable.

£14,166 (2022: £10,832) of other creditors relates to CIF loans due to the ESFA (with interest charged at a rate of 1.95% to 2.07%).

Creditors: Amounts falling due after more than one year

	2022 £'000	2022 £'000
Other Creditors	97	97
	<u>97</u>	<u>97</u>

Other Creditors falling due after more than one year relates to CIF loans due to the ESFA (with interest charged at a rate of 1.95% to 2.07%), £54,399 (2022: £53,279) falls due in greater than 5 years.

16**Funds**

	Balance at 1 September 2022	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2023
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	-	3,326	(3,326)	-	-
Start Up Grant	-	41	(41)	-	-
Other DfE/EFA grants	191	395	(586)	-	-
Other grants	-	9,170	(8,693)	(287)	190
Pension reserve	(1,567)	(222)	(271)	2,060	-
	<u>(1,376)</u>	<u>12,710</u>	<u>(12,917)</u>	<u>1,773</u>	<u>190</u>
Restricted fixed asset funds					
Transfer on conversion	4,376	12,800	(159)	-	17,016
Donations	-	-	-	-	-
DfE/EFA capital grants	2,201	422	(47)	-	2,575
LA Capital Grants	-	-	-	-	-
Capital expenditure from other funds	1,096	45	(122)	287	1,305
	<u>7,673</u>	<u>13,267</u>	<u>(328)</u>	<u>287</u>	<u>20,896</u>
Total restricted funds	<u>6,297</u>	<u>25,977</u>	<u>(13,245)</u>	<u>2,060</u>	<u>21,086</u>
Total unrestricted funds	<u>809</u>	<u>1,018</u>	<u>(267)</u>	<u>-</u>	<u>1,562</u>
Total funds	<u>7,106</u>	<u>26,995</u>	<u>(13,512)</u>	<u>2,060</u>	<u>22,648</u>

The specific purposes for which the funds are to be applied are as follows:

Restricted funds are received from the ESFA and the LA for the Trusts operation. Unrestricted funds are made up of cash transfers from the Local Authority on conversion and school generated income.

Fixed asset funds include donated assets from the Local Authority on conversion plus any capital grants. Transfers between funds relate to the use of revenue funds to support capital expenditure.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

The restricted pension fund was a deficit inherited upon conversion to Academy status. At 31 August 2023, the pension was not in deficit. The actuary valuation calculated an asset, but as the Academy Trust has received no indication that it will receive refunds from the scheme or reduced contributions going forward, in line with paragraph 28.22 of FRS102 an asset has not been recognised in the balance sheet. Therefore the pension fund shows as £0 at 31 August 2023. The trustees will continue to monitor this situation closely so that the Academy can continue to meet the cash funding requirement of the pension fund.

Comparative information in respect of the preceding period is as follows: -

	Balance at 1 September 2021 as restated £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2022 £000
Restricted general funds					
General Annual Grant (GAG)	324	1,640	(1,964)	-	-
Start Up Grant	-	29	(29)	-	-
Other DfE/EFA grants	-	421	(230)	-	191
Other grants	-	5,710	(5,236)	(474)	-
Pension reserve	(6,145)	(1,087)	(976)	6,641	(1,567)
	(5,821)	6,713	(8,435)	6,167	(1,376)
Restricted fixed asset funds					
Transfer on conversion	3,313	1,143	(80)	-	4,376
Donations	-	-	-	-	-
DfE/EFA capital grants	750	1,484	(33)	-	2,201
LA Capital Grants	-	-	-	-	-
Capital expenditure from GAG	686	-	(122)	532	1,096
	4,749	2,627	(235)	532	7,673
Total restricted funds	(1,072)	9,340	(8,670)	6,699	6,297
Total unrestricted funds	867	434	(434)	(58)	809
Total funds	(205)	9,774	(9,104)	6,641	7,106

The specific purposes for which the funds are to be applied are as follows:

Restricted funds are received from the ESFA and the LA for the Trusts operation.

Unrestricted funds are made up of cash transfers from the Local Authority on conversion and school generated income.

Fixed asset funds include donated assets from the Local Authority on conversion plus any capital grants. Transfers between funds relate to the use of revenue funds to support capital expenditure.

Total reserves before fixed asset fund and pension reserve are not split between academies as closing reserves are pooled to the Academy Trust, not to individual academies. Closing reserves are spent as the Academy Trust sees fit to benefit pupils.

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2023 £000	Total 2022 £000
Evolve Academy	1,581	99	18	281	1,979	1,845
Ethos College	1,043	118	46	205	1,412	1,641
Reach Academy	1,016	91	37	331	1,475	1,618
Engage Academy	930	89	8	238	1,265	1,235
Elements Academy	3,015	169	33	435	3,652	-
Enrich Academy	670	47	27	119	863	-
Other services	1,070	85	6	60	1,221	1,373
Central services	507	464	6	340	1,317	1,156
Academy Trust	9,832	1,162	181	2,009	13,184	8,868

17 Analysis of Net Assets between Funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	20,618	20,618
Current assets	1,562	1,521	501	3,584
Current liabilities	-	(1,234)	(223)	(1,457)
Non-current liabilities	-	(97)	-	(97)
Pension scheme liability	-	-	-	-
Total net assets	1,562	190	20,896	22,648

Comparative information in respect of the previous period is as follows:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	7,223	7,223
Current assets	811	1,038	532	2,381
Current liabilities	-	(750)	(85)	(835)
Non-current liabilities	-	(97)	-	(97)
Pension scheme liability	-	(1,567)	-	(1,567)
Total net assets	811	(1,376)	7,670	7,105

18 Commitments under operating leases

Operating Leases

At 31 August 2023 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2023 £000	2022 £000
Amounts due within one year	17	10
Amounts due between one and five years	27	20
Amounts due after five years	-	-
	44	30

19 Reconciliation of Net Income/(expenditure) to Net Cash Flow from Operating Activities

	2023	2022
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	13,483	670
Adjusted for:		
Donation of fixed assets	-	-
Depreciation charges	328	235
Disposals of fixed assets	-	-
Capital grants from DfE and other capital income	(467)	(163)
Interest receivable	3	(5)
Transfer from Local Authority on Conversion	(13,247)	(1,414)
Difference between pension charge and cash contributions	271	976
CIF debtor transferred on conversion	-	1,321
(Increase)/decrease in debtors	(912)	(406)
Increase/(decrease) in creditors	623	647
Net cash provided by / (used in) Operating Activities	82	1,861

20 Cash Flows from Financing Activities

	2023	2022
	£000	£000
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	-	-

21 Cash Flows from Investing Activities

	2023	2022
	£000	£000
Dividends, interest and rents from investments	(5)	5
Proceeds from sale of tangible fixed assets	-	-
Purchase of tangible fixed assets	(922)	(1,909)
Capital grants from DfE/ESFA	467	165
Capital funding received from sponsors and others	-	-
Net cash provided by / (used in) investing activities	(458)	(1,739)

22 Analysis cash and cash equivalents

	At 31 August 2023	At 31 August 2022
	£000	£000
Cash in hand and at bank	1,810	1,517
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	1,810	1,517

23 Members liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

24 Pension and similar obligations

The academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Yorkshire Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £192,806 were payable to the schemes at 31 August 2023 (2022: £102,627) and are included within other creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million;

- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate of 2.4% above the rate of CPI; assumed real rate return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £839,754 (2022: £485,386).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £835,925 (2022: £515,707), of which employer's contributions totalled £618,744 (2022: £371,743) and employees' contributions totalled £217,182 (2022: £143,964). The agreed contribution rates for future years are between 16.8% and 23% for employers and between 5.5% and 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy Trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions

	At 31 August 2023	At 31 August 2022
Rate of increase in salaries	3.55%-3.85%	3.95%
Rate of increase for pensions in payment/inflation	2.60%-2.90%	2.70%
Discount rate for scheme liabilities	5.00%-5.20%	4.00%
Inflation assumption (CPI)	2.60%	2.70%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 August 2023	At 31 August 2022
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Retiring today

Males	20.6-21	21.8
Females	23.6-24.1	24.6
<i>Retiring in 20 years</i>		
Males	21.4-22.2	22.5
Females	25-25.1	25.7

	At 31 August 2023 £000	At 31 August 2022 £000
Sensitivity analysis		
Discount rate +0.1%	(217)	(209)
Discount rate -0.1%	217	216
Mortality assumption - 1 year increase	(239)	(216)
Mortality assumption - 1 year decrease	239	216
CPI rate +0.1%	192	172
CPI rate -0.1%	(192)	(164)

The academy's share of the assets in the scheme were:

	Fair value at 31 August 2023 £000	Fair value at 31 August 2022 £000
Equity	7,168	4,712
Government Bonds	884	377
Other Bonds	344	254
Property	388	230
Cash and other liquid assets	313	236
Other	61	88
Total market value of assets	9,158	5,897

The actual return on scheme assets was £699,000 (2022: £8,000)

Amounts recognised in the statement of financial activities

	2023 £000	2022 £000
Current service cost	855	1,223
Past service cost	-	-
Interest income	-	-
Interest cost	60	120
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Total operating charge	915	1,343

Changes in the present value of defined benefit obligations were as follows:

	2023 £'000	2022 £'000
At 1 September		-
Opening defined benefit obligation	7,464	10,833
Current service cost	855	1,223
Interest cost	372	216
Employee contributions	216	141
Actuarial (gain)/loss	(1,673)	(6,729)
Benefits paid	(248)	(49)
Past service costs	-	-
Business Combinations	2,172	1,829
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	9,158	7,464

Changes in the fair value of academy's share of scheme assets:

	2023 £'000	2022 £'000
At 1 September		
Opening fair value of scheme assets	5,897	4,688
Interest income	312	96
Return on plan assets (excluding net interest on the net defined pension liability)	-	-
Actuarial gain/(loss)	387	(88)
Employer contributions	644	367
Employee contributions	216	141
Benefits paid	(248)	(49)
Business Combinations	1,950	742
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	9,158	5,897

The amounts recognised in the Balance Sheet are as follows:

	2023 £'000	2022 £'000
Present value of funded obligations	(9,158)	(7,464)
Fair value of plan assets	9,158	5,897
	-	(1,567)
Present value of unfunded obligations	-	-
Deficit	-	(1,567)
Net Liability	-	(1,567)

The amounts recognised in other recognised gains and losses are as follows:

	2023	2022
	£'000	£'000
Actuarial gains / (losses)	2,060	6,641
	-	-
	<u>2,060</u>	<u>6,641</u>

25 Related Party Transactions

Owing to the nature of the academy Trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2020 and obtaining their approval where required, and with the academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. This year the trust has operated a zero-tolerance policy on related party transactions.

M Ridge, spouse of J Foster, a member of the key management personnel, is employed by the Academy Trust as Director of Offsite Provision. M Ridge is paid within the normal pay scale for his role and receives no special treatment as a result of his connection to a member of the key management personnel.

26 Capital Commitments

	2023	2022
	£'000	£'000
Contracted for, but not provided in the financial statements	-	-

27 Comparatives for the statement of Financial Activities

	Unrestricted fund £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total funds £'000
Income and Endowments from				
Donations and Capital Grants	8	-	163	171
Donations – Transfer from Local Authorities on Conversion	37	(1,087)	2,464	1,414
Charitable Activities				
Funding for the academy's educational operations	-	7,800	-	7,800
Other trading activities	384	-	-	384
Investment Income	5	-	-	5
Total	434	6,715	2,627	9,776
Expenditure on Charitable activities				
Academy's educational operations	434	8,437	235	9,106
Total	434	8,437	235	9,106
NET INCOME / (EXPENDITURE)	-	(1,722)	2,392	670
Transfers between funds	(56)	(477)	532	-
Other recognised gains / (losses)				
Actuarial gains / (losses) on defined benefit schemes)	-	6,641	-	6,641
Net Movement in funds	(56)	4,442	2,924	7,310
Reconciliation of Funds				
Total funds brought forward	867	(5,818)	4,746	(205)
Total Funds Carried Forward	811	(1,376)	7,670	7,105

28 Prior Year Adjustment

A prior year adjustment has been made to the 31 August 2022 figures reported as teaching assistants have been reclassified as support costs rather than direct costs.

The prior year adjustment has impacted on the 31 August 2022 accounts as follows:

- 1) Increasing the support costs for the year ended 31 August 2022 by £2,293,344;
- 2) Decreasing the direct costs for the year ended 31 August 2022 by £2,293,344.

The above Adjustments did not impact elsewhere in the accounts.

29 Conversion to an Academy Trust

On 1 September 2022, Elements Academy converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Ethos Academy Trust from Rotherham Metropolitan Borough Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as income from Donations and Capital grants – Transfer from Local Authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

Elements Academy	Unrestricted £'000	Restricted £'000	Restricted FA £'000	Total funds £'000
Leasehold land and buildings	-	-	9,097	9,097
Cash – representing budget surplus on LA funds	-	-	-	-
LGPS pension deficit	-	(96)	-	(96)
Net Assets / (Liabilities)	-	(96)	9,097	9,001

On 1 May 2023, Enrich Academy converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Ethos Academy Trust from Wakefield Metropolitan District Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as income from Donations and Capital grants – Transfer from Local Authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

Enrich Academy	Unrestricted	Restricted	Restricted FA	Total funds
	£'000	£'000	£'000	£'000
Leasehold land and buildings	-	-	3,703	3,703
Cash – representing budget surplus on LA funds	669	-	-	669
LGPS pension deficit	-	(126)	-	(126)
Net Assets / (Liabilities)	669	(126)	3,703	4,246